Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

CONFIDENTIAL

PAGE 01 MANILA 02943 281045Z
ACTION EA-09

INFO OCT-01 EUR-12 IO-13 ISO-00 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-03
DODE-00 PM-04 H-01 /105 W
----------281311 071054 /45
R 280906Z FEB 77
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 6495
INFO AMEMBASSY BANGKOK
AMEMBASSY KUALA LUMPUR
AMEMBASSY JAKARTA
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
AMCONSUL HONG KONG
AMEMBASSY PARIS
USMISSION GENEVA
AMEMBASSY BRUSSELS
CINCPAC

C O N F I D E N T I A L MANILA 2943

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS
TAGS: PORG, ASEAN, US
SUBJECT: US-ASEAN ECONOMIC CONSULTATIONS

1. FOREIGN SECRETARY ROMULO TELEPHONE ME AFTERNOON FRIDAY FEBRUARY 25 TO ASK ME TO MEET WITH HIM MORNING MONDAY FEBRUARY 28. HE SAID MEETING WOULD CONCERN TWO ASPECTS OF U.S.-ASEAN RELATIONS. FIRST WOULD BE FAVORABLE REPLY TO U.S. NOTE ON THIS SUBJECT. HE SAID VAGUELY THAT MATTER WAS REFERRED TO CHAIRMAN OF STANDING GROUP, WHO CURRENTLY IS FONMIN OF SINGAPORE. SECOND SUBJECT WOULD BE AIDE-MEMOIRE REQUESTING FAVORABLE CONSIDERATION OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 02943 281045Z

CONTINUING U.S. TAX DEFERRAL ON FOREIGN INVESTMENTS. ON MORNING FEBRUARY 28, ROMULO'S OFFICE CALLED AGAIN TO REQUEST POSTPONEMENT OF MEETING UNTIL MORNING MARCH 1, BECAUSE ROMULO INVOLVED IN NATIONAL SECURITY COUNCIL MEETING ON TRIPOLI NEGOTIATIONS CONCERNING MUSLIM PROBLEM.

2. IN MEANTIME, EVENING SATURDAY FEBRUARY 26, I

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

ENCOUNTERED INDUSTRY SECRETARY PATERNO AT SOCIAL FUNCTION. HE ADVERTED TO PROPOSED MEETING WITH ROMULO AND SAID HE INTENDED TO BE REPRESENTED AT ALL U.S.-ASEAN MEETINGS CONDUCTED IN MANILA. HE ASKED HOW WE ENVISAGED AGENDA. I SAID OUR EMPHASIS WAS ON TRADE AND INVESTMENT. WE HOPED PHILS WOULD AVOID MAKING MEETING JUST ONE MORE OCCASION TO HIT US UP FOR AID TO VARIOUS ASEAN PROJECTS. I NOTED JAPAN-ASEAN TALKS SEEMED TO BE HEADING IN THAT DIRECTION AND THIS SEEMED TO BE NEEDLESS REPLICATION OF VARIOUS AID CONSULTATIVE GROUPS.

3. PATERNO SAID THAT HE THOROUGHLY AGREED AND FELT STRONGLY THAT ASEAN SHOULD TAKE LEAD WITH U.S. IN DEVELOPING SOME IMAGINATIVE INCENTIVES FOR BOTH TRADE AND INVESTMENT. HE SAID HE FEARED U.S. AND OTHER DEVELOPED COUNTRIES WOULD HOLD UP ANY SUCH INNOVATIONS PENDING RESOLUTION OF APJ ISSUES INVOLVED IN NEW INTERNATIONAL ECONOMIC ORDER (NIEO). THIS, HE SAID, WOULD LEAD TO "LOWEST COMMON DENOMINATOR" TREATMENT FOR ALL LDC'S, TO THE DETRIMENT OF GROUPS SUCH AS ASEAN.

4. PATERNO SAID HE HAD ATTENDED SEVERAL UNCTAD AND G-77 MEETINGS AND HAD CONCLUDED THAT MOST DELEGATES ADDRESSED THEIR REMARKS TO THEIR DOMESTIC AUDIENCES. HE SAID THAT, UNFORTUNATELY, THEIR RHETORIC BECAME IMBEDDED IN THE RECORD OF THE PROCEEDINGS AND LOCKED THE LDC'S INTO UNREALISTIC DEMANDS. HE FELT THE PARIS TALKS WOULD STALEMATE ON THIS ACCOUNT. THEREFORE, HE WAS ANXIOUS TO DIVORCE THE U.S.-ASEAN TALKS FROM THE NIEO AND SET CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 02943 281045Z

A PRAGMATIC EXAMPLE OF WHAT CAN BE DONE IF THERE IS GOOD WILL ON BOTH SIDES.

5. IN REPLY, I SAID I PERSONALLY APPLAUDED HIS PROPOSALS BUT HAD AS YET RECEIVED NO INDICATION OF WASHINGTON'S ATTITUDE. I FELT SURE, HOWEVER, THAT WASHINGTON WOULD WONDER WHETHER ASEAN COULD REALLY PRDUCE ANYTHING PRAGMATIC, SINCE IT SEEMED VERY LONG ON THE SAME SORT OF EMPTY RHETORIC WHICH PATERNO DECRIED.

6. PATERNO ACKNOWLEDGED THAT FAULT AND SAID HE HAD A PLAN TO TRY TO CORRECT IT. HE SAID CURRENT TACTICAL PROBLEM IN ASEAN IS THAT SINGAPORE ALWAYS TAKES THE INITIATIVE - JUST A LITTLE TOO EAGERLY, AND INDONESIA ALWAYS DEMURS - JUST A LITTLE TOO DOGGEDLY. HE FELT CONSENSUS MIGHT BETTER BE ACHIEVED IF THE -MIDDLE GROUP" OF MALAYSIA, THAILAND AND THE PHILIPPINES COULD SORT OUT AN AGREEMENT AND THEN TRY TO BRING INDONESIA AND SINGAPORE INTO LINE. HE SAID THE THAIS HAD ALREADY AGREED TO THIS

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

CONCEPT AND THAT HE WAS ASKING SIXTO ROXAS (RECENTLY NAMED DIRECTOR OF SIME--DARBY) TO TRY TO PERSUADE THE MALAYSIANS. ROXAS, WHO HAD JOINED THE CONVERSATION BY THIS TIME, INDICATED HIS WILLINGNESS TO UNDERTAKE THE MISSION.

7. COMMENT: I THINK PATERNO'S THOUGHT OF MAKING ASEAN A "PRAGMATIC EXAMPLE" OF EFFECTIVE NORTH-SOUTH COLLABORATION IS AN EXCELLENT ONE AND HOPE WASHINGTON IS SO INCLINED. I WOULD EXPECT THAT ANY SUCH ACTION SHOULD HAVE PARALLELS IN THE ACTION OF JAPAN AND THE EEC. IF WE THREE DC REPRESENTATIVES CAN DO SOMETHING POSITIVE WITH A SOUND, MODERATE GROUPING LIKE ASEAN, IT MIGHT TAKE MUCH OF THE BLUSTER OUT OF THE G-77 RADICALS.
SULLIVAN

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RELATIONS WITH REGIONAL ORGS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA02943
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770068-0637
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977023/aaaaacpn.tel
Line Count: 130
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e38517c5-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3289660
Secure: OPEN
Status: NATIVE
Subject: US-ASEAN ECONOMIC CONSULTATIONS
TAGS: PORG, ECON, OCON, US, ASEAN
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e38517c5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009